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SUBJECT: PORTUGUESE FM AMADO BROACHES PEACE AND TRADE IN

MIDDLE EAST

REF: A. LISBON 1768

¶B. LISBON 204

Classified By: Dana M. Brown, Pol/Econ Officer, State Department. Reason: $1.4\ (b)$ and (d)

11. (SBU) Summary: Portuguese FM Luis Amado's first trip to the Middle East since assuming office on July 3 aimed at encouraging regional stabilization, assessing the humanitarian crisis, and establishing greater commercial ties, according to MFA Middle East Officer Lilia Navais. Minister Amado decided to travel to Jordan and Egypt prior to the UNSCR 1701 as a way to press moderate Arab nations such as Jordan and Egypt to help negotiations. Once the resolution was adopted, Amado chose to continue as scheduled with the August 21-23 trip, both to remain informed of the situation and to discuss future commercial cooperation with Libya. End summary.

Jordan, Egypt Should Play a More Active Role

12. (C) Amado hopes to encourage Jordan to become more proactive in responding to the Middle East crisis by supporting the peace and by responding to the humanitarian crisis, according to Navais. He also would like Egypt to weigh in through the Arab League and appeal to Arab nations to support the ceasefire. Navais further noted that FM Amado has himself been proactive in responding to events and she offered the example of his calling for the first extraordinary EU foreign minister meeting to discuss the crisis on August 1. She stressed that Portugal seeks to play a constructive role given its positive relationship with many Arab nations. When asked whether Amado's engagement signified an uptick in Portugal's interest in the region, Navais responded that former FM Freitas do Amaral had also followed events in the Middle East closely but had difficulty getting his message out within the EU after his controversial comments on the Danish cartoons last winter (ref b). She underscored that FM Amado's public interest is simply a continuation of the Socrates Administration's policy towards the region.

Considering Trade

13. (SBU) In addition to Amado's efforts to encourage peace, he took the opportunity to sign a double taxation agreement with Egypt and to approach Libya to discuss future commercial possibilities. The double taxation agreement is the final in a series of bilateral tourism and commercial agreements that

the two nations have signed. Regarding Libya, Navais noted that Portugal plans to establish an embassy in Tripoli and would like to begin creating trade relationships with Libya's "rich markets." She commented that Portugal is not yet ready to proceed with detailed talks and did not include Portugal's Economic Minister Pinho on this visit, but Amado's visit was to signal interest for the future. (NOTE: Pinho accompanied PM Socrates to Libya on an official visit in October 2005.)

Comment: Remaining Proactive

4. (C) Although Portugal's participation in the UN Mission is still awaiting definition, it is clear that Portugal wants to play a greater role in the Middle East, particularly in the run-up to its EU Presidency in the latter half of 2007. Amado's Middle East visit will arm him with a first-hand view of the situation in time for the August 25 Extraordinary EU ministerial meeting and allow Portugal to continue having a voice on this issue, at least among EU member states. Portugal's interest in Libya also reaffirms recent MFA's comments that Portugal hopes to establish trade links with petroleum-rich nations, including Venezuela. Post notes that at the time of Navais's account, Amado's trip was ongoing. End comment.